

Introduced by Senators Speier, Ducheny, McPherson, and Soto
(Coauthors: Assembly Members Canciamilla, Dutra, Lieber, Mullin,
Nunez, and Yee)

January 28, 2003

An act to repeal and add Article 13 (commencing with Section 18841) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 92, as introduced, Speier. Taxpayer contributions: California Missions Foundation Fund.

Provisions relating to the administration of personal income taxes allow individual taxpayers to contribute amounts in excess of their tax liability for the support of specified funds.

This bill would allow taxpayers to designate on their tax returns that a specified amount in excess of their tax liability be transferred to the California Missions Foundation Fund, which would be created by this bill. However, the bill would provide that a voluntary contribution designation for this fund may not be added on the tax return until another voluntary contribution designation is removed from that return.

This bill would require that all moneys contributed to the fund pursuant to these provisions, upon appropriation by the Legislature, be allocated to the Franchise Tax Board and to the California Missions Foundation, a charitable organization, as provided.

This bill would provide that these voluntary contribution provisions are repealed on January 1 of the 5th taxable year following the taxable year the fund first appears on the tax return. The bill would further provide that these provisions are repealed for taxable years beginning on or after January 1 of the calendar year in which the Franchise Tax

Board estimates by September 1 that the contributions made on returns filed in that calendar year will be less than \$250,000, or an adjusted amount for subsequent taxable years.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Article 13 (commencing with Section 18841) is added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, to read:

Article 13. California Missions Foundation Fund

18841. (a) An individual may designate on the tax return that a contribution in excess of the tax liability, if any, be made to the California Missions Foundation Fund established by Section 18842. That designation is to be used as a voluntary contribution on the tax return.

(b) The contributions shall be in full dollar amounts and may be made individually by each signatory on a joint return.

(c) A designation shall be made for any taxable year on the initial return for that taxable year and once made is irrevocable. If payments and credits reported on the return, together with any other credits associated with the taxpayer's account, do not exceed the taxpayer's liability, the return shall be treated as though no designation has been made. If no designee is specified, the contribution shall be transferred to the General Fund after reimbursement of the direct actual costs of the Franchise Tax Board for the collection and administration of funds under this article.

(d) If an individual designates a contribution to more than one account or fund listed on the tax return, and the amount available is insufficient to satisfy the total amount designated, the contribution shall be allocated among the designees on a pro rata basis.

(e) The Franchise Tax Board shall revise the form of the return to include a space labeled the "California Missions Foundation Fund" to allow for the designation permitted. The form shall also include in the instructions information that the contribution may

1 be in the amount of one dollar (\$1) or more and that the
2 contribution shall be used to restore and repair the Spanish colonial
3 and mission era missions in this state and to preserve the artworks
4 and artifacts of these missions.

5 (f) Notwithstanding any other provision, a voluntary
6 contribution designation for the California Missions Foundation
7 Fund shall not be added on the tax return until another voluntary
8 contribution designation is removed.

9 (g) A deduction shall be allowed under Article 6 (commencing
10 with Section 17201) of Chapter 3 of Part 10 for any contribution
11 made pursuant to subdivision (a).

12 18842. There is in the State Treasury the California Missions
13 Foundation Fund to receive contributions made pursuant to
14 Section 18841. The Franchise Tax Board shall notify the
15 Controller of both the amount of money paid by taxpayers in
16 excess of their tax liability and the amount of refund money that
17 taxpayers have designated pursuant to Section 18841 to be
18 transferred to the California Missions Foundation Fund. The
19 Controller shall transfer from the Personal Income Tax Fund to the
20 California Missions Foundation Fund an amount not in excess of
21 the sum of the amounts designated by individuals pursuant to
22 Section 18841 for payment into that fund.

23 18843. All moneys transferred to the California Missions
24 Foundation Fund, upon appropriation by the Legislature, shall be
25 allocated as follows:

26 (a) To the Franchise Tax Board and the Controller for
27 reimbursement of all costs incurred by the Franchise Tax Board
28 and the Controller in connection with their duties under this article.

29 (b) To the California Missions Foundation, a charitable
30 corporation established in 1998 and organized and operated
31 exclusively for charitable purposes under Section 501(c)(3) of the
32 Internal Revenue Code, to restore and repair the Spanish colonial
33 and mission era missions in this state and to reserve the artworks
34 and artifacts of these missions.

35 18844. (a) This article shall remain in effect only until
36 January 1 of the fifth taxable year following the first appearance
37 of the California Missions Foundation Fund on the tax return, and
38 as of that date is repealed, unless a later enacted statute, that is
39 enacted before the applicable date, deletes or extends that date.

1 (b) If, in the second calendar year after the first taxable year the
2 California Missions Foundation Fund appears on the tax return,
3 the Franchise Tax Board estimates by September 1 that
4 contributions described in this article made on returns filed in that
5 calendar year will be less than two hundred fifty thousand dollars
6 (\$250,000), or the adjusted amount specified in subdivision (c) for
7 subsequent taxable years, as may be applicable, then this article is
8 repealed with respect to taxable years beginning on or after
9 January 1 of that calendar year. The Franchise Tax Board shall
10 estimate the annual contribution amount by September 1 of each
11 year using the actual amounts known to be contributed and an
12 estimate of the remaining year's contribution.

13 (c) For each calendar year, beginning with the third calendar
14 year that the California Missions Foundation Fund appears on the
15 tax return, the Franchise Tax Board shall adjust, on or before
16 September 1 of that calendar year, the minimum estimated
17 contribution amount specified in subdivision (b) as follows:

18 (1) The minimum estimated contribution amount for the
19 calendar year shall be an amount equal to the product of the
20 minimum estimated contribution amount for the prior September
21 1 multiplied by the inflation factor adjustment as specified in
22 paragraph (2) of subdivision (h) of Section 17041, rounded off to
23 the nearest dollar.

24 (2) The inflation factor adjustment used for the calendar year
25 shall be based on the figures for the percentage change in the
26 California Consumer Price Index received on or before August 1
27 of the calendar year pursuant to paragraph (1) of subdivision (h)
28 of Section 17041.

29 (d) Notwithstanding the repeal of this article, any contribution
30 amounts designated pursuant to this article prior to its repeal shall
31 continue to be transferred and disbursed in accordance with this
32 article as in effect immediately prior to that repeal.

